

Message Text

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PAGE 01 TEHRAN 11358 261203Z
ACTION NEA-10

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FM AMEMBASSY TEHRAN
TO SECSTATE WASHDC PRIORITY 6070

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EO 11652: N/A
TAGS: BTIO, TECH, IR
SUBJ: MOTOROLA PROPOSAL RE CAR PHONE SYSTEM TO BE
DEVELOPED BY GOI

REF: STATE 296310

1. FOLLOWING ADDITIONAL INFORMATION DEVELOPED BY EMBASSY BASED
ON CONVERSATIONS WITH MANAGER OF LOCAL MOTOROLA AFFILIATE
(MILCOM COMMUNICATION) AND VICE PRESIDENT OF AMERICAN BELL
INTERNATIONAL, INC. (ABII), MR. DALZIEL.

2. MOTOROLA AND NIPPON ELECTRIC COMPANY (NEC) WERE TWO OF SIX
COMPANIES INVITED TO BID IN 1975 ON IEI TENDER FOR MOBILE CAR
TELEPHONES/RADIOS. ORIGINAL TENDER WAS SO BADLY DRAWN UP AS TO
REQUIRE REWRITING BY ABII AND TELECOMMUNICATIONS COMPANY OF IRAN
(TCI) WITH SOME ASSISTANCE FROM MOTOROLA. AT SOME POINT THERE-
AFTER, RESPONSIBILITY FOR THE TENDER PASSED FROM ICI TO TCI.

3. SUBSEQUENTLY, TCI, IN THE PERSON OF ITS MANAGING DIRECTOR,
MR. MALEKABHARI, DECIDED TO PHASE OUT PRODUCTION OF MICROWAVE
EQUIPMENT AT IRAN-NIPPON ELECTRIC COMPANY' (INEC) JOINT VENTURE
FACTORY AT SHIRAZ. IN LIEU MICROWAVE EQUIPMENT, MALEKABHARI
INSISTED THAT THE PRODUCTION OF MOBILE CAR TELEPHONES BE UNDER-
TAKEN BY INEC AND THAT NEC OF JAPAN BE GIVEN THE CONTRACT FOR
THE WORK. IT WAS AT THIS POINT THAT THE IDEA OF AN INTERNATIONAL
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TENDER FOR MOBILE CAR PHONES WAS DROPPED AND MOTOROLA ELIMINATED
AS A CANDIDATE ONCE NIPPON ELECTRIC WAS SELECTED BY MALEKABHARI
AS THE SOLE SOURCE FOR THE WORK. ABII SAYS THAT NEC WOULD STILL
LIKE TO CONTINUE MAKING MICROWAVE EQUIPMENT AT THE FACTORY BUT
TCI BELIEVES THAT THE FINISHED PRODUCT WOULD BE CONSIDERABLY
MORE EXPENSIVE THAN IMPORTED SIMILAR EQUIPMENT..

4. FROM WHAT THE EMBASSY HAS BEEN ABLE TO LEARN, MR. MALEKABHARI HAS BEEN SUCCESSFUL IN IMPOSING THIS "SOLUTION" ON TCI AND GEN. TOUFANIAN'S MILITARY INDUSTRIAL ORGANIZATION. ABII INSISTS THAT ITS ROLE IN THE AFFAIR WAS PURELY ADVISORY ON THE SPECIFICATIONS FOR THE PRODUCTION OF THE CAR PHONES BY INEC AND THAT IT WAS MR. MALEKABHARI'S DECISION ALONE IN SELECTING NEC AS THE FOREIGN COLLABORATOR. NO SURPRISINGLY, MOTOROLA'S AFFILIATE HERE HOLDS THE VIEW THAT INEC/NEC DO NOT HAVE THE CAPACITY TO PRODUCE MOBILE CAR PHONES OF A QUALITY REQUIRED FOR MILITARY AND CIVILIAN VEHICLES IN IRAN. ABII, ON THE OTHER HAND, TELLS THE EMBASSY THAT THE NEC PRODUCT IS PERFECTLY ADEQUATE FOR THE IRANIAN MARKET.

5. MOTOROLA'S AFFILIATE HERE SAYS THAT GENERAL TOUFANIAN IS BEING BADLY ADVISED BY TCI AS REGARDS THE MANUFACTURE IN IRAN OF THE NEC CAR PHONES AND IS CONVINCED THAT MOTOROLA WOULD GET THE CONTRACT IF ALLOWED TO MAKE A PRESENTATION. BASED UPON WHAT THE EMBASSY HAS BEEN TOLD BY ABII, HOWEVER, WE DOUBT THAT THIS MATTER CAN BE TURNED AROUND AND WE THINK THAT MOTOROLA'S CHANGES, EVEN WITH A PRESENTATION AT A HIGH GOI LEVEL, ARE BLEAK.

6. NEVERTHELESS, WE BELIEVE THAT MOTOROLA OUGHT TO BE ALLOWED TO MAKE ITS CASE IN A LAST EFFORT TO SALVAGE THE CONTRACT. AFTER A NUMBER OF PHONE CALLS TO THE MILITARY INDUSTRIAL ORGANIZATION, THE EMBASSY RECEIVED ON DECEMBER 20 CATEGORICAL ASSURED LIMITED OFFICIAL USE

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ANCES FROM GENERAL TAVAKOLI'S OFFICE THAT THE GENERAL WOULD SEE MOTOROLA REPRESENTATIVES WHEN THEY CAME TO IRAN. WHILE THE EMBASSY DID NOT SPEAK WITH GENERAL TAVAKOLI DIRECTLY, WE HAVE NO REASON TO DOUBT THE ASSURANCES GIVEN BY HIS OFFICE. GENERAL TAVAKOLI IS GENERAL TOUFANIAN'S DEPUTY FOR COMMUNICATION MATTERS.

7. ACTION REQUESTED. PLEASE ADVISE NAMES OF MOTOROLA REPRESENTATIVES WHO WILL VISIT IRAN AND THE PERIOD THEY EXPECT TO BE HERE. UPON RECEIPT THIS INFORMATION EMBASSY WILL SEEK TO ARRANGE SPECIFIC DAY AND HOUR WHEN THEY CAN MEET WITH GENERAL TAVAKOLI.
SULLIVAN

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